

FINANCE DEPARTMENT

The Finance Department is the center of all major financial activity for the City of Reading. The majority of City budgeting and fiscal planning is conducted within this Department. Financial records maintained by this Department are a great source of vital information necessary in addressing, researching, and solving important City issues. Various Programs within the Department help generate a continuous flow of transactions that aid in financing City operations.

The six (6) programs presently functioning within the Finance Department:

- * **Administration**
- * **Accounting**
- * **Tax Administration**
- * **Treasury**
- * **Purchasing & Duplication**
- * **Mailroom**

Administration provides administrative support and management to all other programs within the Finance Department.

Accounting is responsible for the processing, recording and monitoring of all fiscal transactions.

Tax Administration is responsible for the billing, record keeping and administration of all taxes levied by the City of Reading and the Reading School District.

Treasury processes all cash receipts, and bank transfers for the City of Reading. In addition to the Treasury office, the City of Reading utilizes the Lockbox system for mail in bill processing.

Purchasing and Duplication procures the highest quality commodities and services that meet the City's needs at the least expense.

Mailroom sorts and distributes all incoming, inner office and outgoing mail.

STRATEGIC ISSUES

The Finance Department, as well as the City of Reading, will continue to promote professionalism and advanced technology to achieve enhanced customer service. As a vital link to all City departments, the Finance Department must be a pioneer in eliminating barriers to an efficient and responsive government organization. The Finance Department is challenged with serious financial problems: an infrastructure that has been neglected, depleted fund balances so as to be unprepared to withstand emergencies, a deteriorating revenue base, and an over-reliance on other financing sources. In response to these demands, the Finance Department has worked with the Managing Director and the Mayor to develop strategic issues as follows:

- ** A full-scale ongoing assessment of financial condition is planned. Although many problems seem self-evident, a broad perspective is needed to address them effectively. Often serious problems emerge unnoticed until they become crises. Additionally, it is good to have a systematic way to monitor changes and anticipate future needs. The study will result in a plan to maintain service levels, withstand economic disruptions and natural disasters, and meet the demands of growth, decline and change.
- ** Several changes are planned within the Finance Department as well. Finance is a cognitive and knowledge driven industry. To produce more and better it takes intelligence and technology. In 2007, the Department will continue to emphasize the development of human capital and technology. Training is planned to keep pace with an ever-changing environment of regulations, to reduce risks to cash and assets, and to provide services in a more customer-friendly way.
- ** Continued money has been targeted for training. This will be used frugally and locally for several of the specialized training programs available to government entities. In addition, training will continue to improve and enhance the City's customer service skills.
- ** The City will continue to follow the status of the Safety Tax that will possibly replace the occupation privilege tax. This would be the best increase for the City of Reading since all users will be taxed and not just City residents.

ADMINISTRATION

This program provides administrative support and management to all other programs within the Finance Department. The Director is responsible for the overall operations of the Finance Department with assistance from the individual Program Managers within this Department. The Confidential Secretary provides secretarial and other support services. The Finance Floaters fill the void in all Divisions of the Finance Department during busy and vacation seasons.

FY 2007 PROGRAM GOALS AND OBJECTIVES

GOAL 1: TO PROVIDE QUALITY TRAINING AND ADEQUATE TECHNOLOGY TO BENEFIT THE CUSTOMERS, OTHER CITY DEPARTMENTS, AND EMPLOYEES.

- Objective 1: Incorporate the City mission, vision, values, and leadership philosophy into the development of a Finance Department quality management process.
- Objective 2: Increase training opportunities for Finance Department staff. The need for knowledgeable, cognitively oriented staff has significantly reduced prior manual transactions.
- Objective 3: Continue the training of all new City employees who will use USL, the City's financial software package. This will streamline operations, shorten time requirements, reduce the amount of paper generated, and mistakes made.
- Objective 4: Set up bi-annual refresher trainings sessions for employees so staff can optimize the capabilities of the USL software.

GOAL 2: CONTINUE IMPROVING DEPARTMENTAL EFFICIENCY, INITIATING BETTER PROCESSES, AND CONSOLIDATING FINANCIAL FUNCTIONS.

- Objective 1: Continue to centralize all financial functions, including non-auditing functions currently done by the City Auditor, those performed by the Community Development Department, and those accounting duties completed by the Pension Administrator.
- Objective 2: Meet with all other departments and City entities on a set schedule to discuss areas of concern, identify duplications of effort, and develop a plan to improve operations.
- Objective 3: Continue to analyze all Finance Divisions to ensure the most efficient processes are in place.

Objective 4: Have all Finance employees create a job responsibilities manual that outlines their day to day job duties and steps needed to complete daily tasks. This will allow employees the ability to step in for others when staff is out.

GOAL 3: ELIMINATE GENERAL FUND CUMULATIVE DEFICIT.

Objective 1: Eliminating the General Fund cumulative deficit will allow the City the ability to enter the bond markets in favorable financial standing. This will lower costs to the City when entering the bond markets. Eliminating the cumulative will allow the City to earn its bond rating as opposed to buying its rating thus lowering the cost of issuing bonds.

Objective 2: Eliminating the General Fund Deficit will lessen the burden of future tax payers.

Objective 3: Eliminating the General Fund Deficit will show both the public and private industry that the City of Reading is on its way to financial recovery.

GOAL 4: PROVIDE INFORMATIVE FINANCIAL INFORMATION TO MAYOR, COUNCIL AND ADMINISTRATION ON A ROUTINE BASIS.

Objective 1: Have quarterly budget meetings to determine if departments are staying within their budgets.

Objective 2: Produce an informative Finance Department monthly report including budget summary for General, Sewer, Water, Self Insurance, and the Recycling Funds.

Expenditures	2005 Actual	2006 Budget	2007 Budget
Personnel	180,086	291,241	298,501
Operating	1,397	7,600	6,384

ACCOUNTING AND FISCAL MANAGEMENT

The primary function of the Program of Accounting and Fiscal Management is to protect the assets of the City. This is accomplished by implementing and following proper internal controls using Generally Accepted Accounting Principals. The Accounting Office processes all city billings; this function includes processing purchase orders, vendor invoices, and check disbursement.

The Accounting Program is also responsible for recording daily cash transactions, monthly entries, quarterly entries and all year end entries. The Accounting Division completes all

account and bank reconciliation's. The tracking and depreciating of fixed assets also falls under the realm of Accounting.

**FY 2006
PROGRAM
GOALS AND OBJECTIVES**

Accounting Division

GOAL 1: PROVIDE QUALITY TRAINING TO BENEFIT CITIZENS, OTHER CITY DEPARTMENTS AND EMPLOYEES

Objective 1: Increase training opportunities for the Accounting staff.

Objective 2: Continue to train all City Departments in the use of the accounting software. This will streamline operations and improve overall efficiency.

GOAL 2: IMPROVE DIVISION EFFICIENCY, INITIATE BETTER PROCESS AND CONSOLIDATE ACCOUNTING FUNCTIONS.

Objective 1: Improve division efficiency by having proper departments perform certain duties that are currently performed by the accounting office.

Objective 2: Meet with other divisions to discuss areas of concern, identify duplication of efforts and develop a plan to improve operations.

GOAL 3: PROVIDE INFORMATIVE FINANCIAL INFORMATION TO THE CITIZENS, THE MAYOR AND COUNCIL, AND THE APPROPRIATE STATE AND FEDERAL AGENCIES

Objective 1: Report on the financial situation of each fund/program on a monthly basis.

Objective 2: To prepare monthly financial reports for the Human Relations Commission and Reading Redevelopment Authority to improve their ability to make proper fiscal decisions.

Objective 3: To provide necessary financial documentation to Directors and Department Heads to assist them in making fiscal decisions.

GOAL 4: TO IMPROVE LINES OF COMMUNICATION WITH OTHER DIVISIONS WITHIN THE CITY OF READING.

Objective 1: To assist in the preparation of the Liquid Fuels Annual Report to eliminate the Audit Findings.

Objective 2: To continue to improve communications with Community Development Division with regards to proper accounting presentation.

GOAL 5: TO IMPROVE PROSESSING OF ACCOUNTING INFORMATION WITH EXTERNAL PARTIES BY UTILIZING ONLINE AND WEB SERVICES.

Objective 1: To continue to introduce, whenever possible, computer technology with regards to utilization electronic transmissions of data.

GOAL 6: COMPLETE INTERFACING PROCEDURE FOR USL, PDS AND HANSEN SOFTWARE.

Objective 1: To work with IT to complete the Interface of the Accounting Software Package (USL), Payroll Software Package (PDS) and Hansen.

Expenditures	2005 Actual	2006 Budget	2007 Budget
Personnel	250,397	288,693	349,141
Operating	38,210	2,880	10,680

TREASURY

Treasury is responsible for processing all cash receipts for the City of Reading; included in cash receipts are the following taxes and fees: Real Estate, Per Capita, Earned Income, Business Privilege, Occupation Privilege, Water/Sewer, City Permits, Recycling, Trash, Traffic Fines, and Registered Bills. Treasury also administers all bank activity such as incoming and outgoing wires, interfund transfers and General Disbursing and Payroll checks.

GOAL 1: EVALUATE IMPLEMENTATION OF CREDIT OR DEBIT CARDS AS PAYMENT FOR ALL CITY BILLINGS.

Objective 1: Implementation of system for debit/credit payments on all City billings.

GOAL 2: CONTINUED EVALUATION OF ONLINE BANKING SERVICES.

Objective 1: To continue to implement Online and Web Services to improve processing time and accuracy.

GOAL 3: RE-EVALUATE CASH MANAGEMENT TECHNIQUES

Objective 1: Examine cash flows and review effectiveness of banking and investment services.

Objective 2: Examine delinquent collection practices and decrease outstanding delinquents.

Expenditures	2005 Actual	2006 Budget	2007 Budget
Personnel	181,482	198,768	172,745
Operating	8,793	12,748	16,148

TAX ADMINISTRATION DIVISION

Tax Administration is responsible for the billing, record keeping, administration and collection of all taxes levied by the City of Reading and the Reading School District.

The following taxes are administrated by the Tax Division:

Amusement/Admissions
Business Privilege Tax and License
Earned Income (Employer and Individual)
Emergency Municipal Services Tax (Employer and self-employed)
Per Capita Tax
Real Estate Tax –City and School
Third-Class City Licenses

FY 2007 PROGRAM GOALS AND OBJECTIVES

GOAL 1: BILL AND PAY OTHER COLLECTORS' EARNED INCOME TAX CLAIMS IN A TIMELY MANNER.

Objective 1: Review claims received by other tax collectors within a four week period to determine the City's payment obligation.

Objective 2: Produce detailed reports showing amounts due from other tax collectors in order to bill and collect prior year claims.

GOAL 2: COLLECT PRIOR YEARS TAXES MORE EFFICIENTLY.

Objective 1: Work with IT to create a variety of delinquency reports to more efficiently collect prior year taxes.

GOAL 3: MAINTAIN ACCURATE RECORDS TO EXPEDITE THE BILLING AND COLLECTION PROCESS.

Objective 1: Hire necessary staff and/or change staff duties to incorporate adjustments and corrections to taxpayer accounts to ensure accuracy in future billings.

GOAL 4: STRIVE TO CONDUCT OUR WORK, WITHIN THE CONFINES OF TAX ADMINISTRATION AND WITH THE GENERAL PUBLIC, ACCORDING TO THE DIVISION GUIDING VALUES.

Objective 1: Employee conduct should incorporate the highest of the following standards: Service, Honesty, Accountability, Responsiveness, Excellence.

Objective 2: Review of these standards should be incorporated in staff meeting discussions as well as in visuals within the department, thereby encouraged.

Expenditures	2005 Actual	2006 Budget	2007 Budget
Personnel	653,759	762,415	744,438
Operating	290,483	118,800	149,550

PURCHASING AND PRINTING

**FY 2007
PROGRAM
GOALS AND OBJECTIVES**

GOAL 1: COOPERATE WITH OTHER MUNICIPALITIES AND OTHER AGENCIES IN THE JOINT PURCHASE OF SUPPLIES AND SERVICES.

Objective 1: Through continued participation with the Berks County Cooperative Purchasing Council identify products and services that may be jointly purchased with other Berks County Municipalities and the Berks County Intermediate Unit. FY 2007.

Objective 2: Utilize other cooperative contracts including, but not limited to, Pennsylvania State Contracts, US Communities, PA Capital City Vehicle Contract, Federal Surplus Property Program and the GSA IT Contract. FY 2007.

GOAL 2: WITH THE COOPERATION OF VARIOUS DEPARTMENT DIRECTORS, AND USL CONTINUE STANDARDIZATION OF COMMONLY PURCHASED ITEMS IN ORDER TO PURCHASE IN BULK AND DECREASE PRICE.

Objective 1: With the assistance of the department directors and USL software, identify

items that are commonly used by various divisions in order to purchase in bulk. March 2007.

Objective 2: Develop specifications that are satisfactory to all divisions and departments. Obtain bids or pricing. May 2007.

Objective 3: Establish contracts with suppliers. July 2007.

Objective 4: Maintain competitively priced purchase orders to a monthly average of 90% of total dollar value, excluding proprietary and blanket order purchases. FY 2007.

GOAL 3: **CONDUCT A THOROUGH REVIEW OF THE CITY'S PURCHASING POLICY AND PROCEDURES AND DETERMINE IF ANY REVISIONS NEED TO BE IMPLEMENTED.**

Objective 1: Conduct thorough review of current policy and procedures in place. Research the advantages and disadvantages of issuing RFP's as apposed to bid specifications for projects. January 2007.

Objective 2: Formulate and circulate for approval, modifications or additions as deemed necessary, including the inclusion of using RFP's for more than professional services. March 2007.

Objective 3: Issue updated policy and procedures guide to all City departments. May 2007.

GOAL 4: **IMPLEMENT A SOFTWARE MODULE FOR MAINTAINING VENDOR LISTS SHARED BY PURCHASING, COMMUNITY DEVELOPMENT AND CODES.**

Objective 1: Develop specifications and obtain bids for pricing. May 2007

Objective 2: Implement automated procurement software in IT, CD, Codes and Purchasing. December 2007

Expenditures	2005 Actual	2006 Budget	2007 Budget
Personnel	114,399	56,779	65,009
Operating	298,180	297,619	309,417

MAILROOM

The City Hall Mailroom provides mail service in the following ways:

Collection and sorting of mail

Delivery of mail and packages to departments
Weighing of letters and packages
Postmarking and stamping of outgoing mail/packages

**FY 2007
PROGRAM
GOALS AND OBJECTIVES**

**GOAL 1: EXPEDIENCY AND ACCURACY IN THE COLLECTION OF AND
DELIVERY OF CITY HALL MAIL**

Objective 1: Set tangible goals for the delivery of mail each morning and postmarking and stamping of outgoing mail.

Objective 2: Continue to evaluate the timeliness of mail delivery through daily tracking.

**GOAL 2: COMPLETE THOROUGH TRAINING FOR USE OF THE NEW MAIL
MACHINE.**

Objective 1: Allow time for mail clerk to receive necessary training to effectively use the new mail machine.

Expenditures	2005 Actual	2006 Budget	2007 Budget
Personnel	15,913	23,994	22,338
Operating	90,796	163,000	163,000